

## 485.0 Workers Compensation

IT Plan Version: B 1

### Goals and Objectives

**Goal: 1** Improve communication and services with employers (policyholders) through delivery of timely, accurate reporting and services, and good stewardship of their premium dollars.

Objectives	Timeframe	Accomplishments/Status
1 Develop an Internet site for distribution of NDWC information and reports.	99-01	The site is functional and providing useful information to employers, employees and providers.
2 Develop Internet reporting of injuries.	99-01	Analysis phase.
3 Develop Internet (on-line) employer payroll reporting.	01-03	
4 Develop Internet (on-line) Loss Run (injury) statistical information for employers.	01-03	
5 Support, maintain, and enhance the PICS application as required by legislative revisions and business improvements.	Ongoing	
6 Integrate the fraud rating statistics with the CMS and PICS applications.	99-01	Work has begun on this initiative.
7 Develop PHS Workflow and Imaging applications.	01-03	

**Goal: 2** Improve services to injured workers through effective communication, safety and loss prevention programs, effective return to work programs, and prompt, timely delivery of benefit services.

Objectives	Timeframe	Accomplishments/Status
1 Maintain, support, and enhance the Claims Management System (CMS), WorkManager (WM), and Indexing applications.	Ongoing	
2 Develop, maintain, and support an auto adjudication claim process for selected injuries below a specified dollar value and complexity level.	99-01	
3 Develop an internal utilization review process based on injury and 'best practices' treatment plans for those injuries.	99-01	
4 Develop a Legal Data Collection and Tracking System that is integrated with the Claims Management System.	01-03	
5 Rewrite the Indexing application.	01-03	
6 Develop a claims audit profiling system to manage claims handling performance.	01-03	
7 Provide for remote location support of injured workers.	01-03	
8 Rewrite WorkManager.	03-05	
9 Develop a Legal and document search and retrieval system.	03-05	
10 Update applications and data transfer methods to meet HIPAA requirements. Thus providing a more secure and standard format for processing medical information.	01-03	

**Goal: 3** Develop partnerships with providers in order to provide high quality medical care to injured workers with safe and timely return to work while reimbursing for provider services in a timely and fair manner.

Objectives	Timeframe	Accomplishments/Status
1 Develop an automated method for electronic medical record submission.	99-01	

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**Goal: 3** Continued....

#### Objectives

Objectives	Timeframe	Accomplishments/Status
2 Provide for electronic bill submission directly with NDWC.	99-01	Work has begun on this initiative,
3 Provide Internet access to all fee schedules.	01-03	
4 Maintain, support, and enhance the medical bill processing and routing portion of the Claims Management System, WorkManager, and Indexing.	Ongoing	
5 Rewrite the Medical Payment Processing subsystem of CMS.	03-05	

**Goal: 4** Update and maintain the technology infrastructure to provide optimal throughput, availability, and performance of automated applications and tools.

#### Objectives

Objectives	Timeframe	Accomplishments/Status
1 Ensure that operating systems, database management systems, and development software are within two versions of the current release.	Ongoing	
2 Replace the existing token ring network with Ethernet.	99-01	Work has begun on this initiative.
3 Replace servers that are over 5 years old.	Ongoing	
4 Replace one-third of the PCs yearly (PC replacement is every three years).	Ongoing	
5 Replace printers over 5 years old.	Ongoing	
6 Adhere to statewide standards.	Ongoing	
7 Maintain all hardware, software, and network components as required.	Ongoing	
8 Create a Storage Area Network (SAN) to improve efficiencies in storage, retrieval, and backup of business data and information.	Ongoing	

Activity	Priority	Activity Type	Start Date	End Date		99-01	01-03	03-05	
1		Application Support	1	Maintenance/Base	Ongoing				
Provide daily operational and development support for PC and server applications. Ensure that correct and current versions of PC applications are installed and that NDWC is in compliance with suppliers' license agreements. Assist in defining reporting requirements and actively provide day-to-day support and backup to meet changing business requirements and ensure reliable applications.						IT PLAN ESTIMATED COST	\$1,800,727	\$1,730,339	\$1,851,463
						BASE BUDGET REQUEST		\$1,730,339	
						OPTIONAL BUDGET REQUEST		\$0	
						BUDGET NONAPPROPRIATED		\$0	
Activity	Priority	Activity Type	Start Date	End Date		99-01	01-03	03-05	
2		Network and OS	2	Maintenance/Base	Ongoing				
Provide daily operations and support for the PC and server operating system software used at NDWC. Ensure that correct and current versions of PC and server operating software and DBMS are installed and that NDWC is in compliance with license agreements. Maintain service level and availability as defined by NDWC. Actitively tune systems for optimum performance and provide day-to-day support and backup.						IT PLAN ESTIMATED COST	\$1,702,804	\$1,630,071	\$1,700,000
						BASE BUDGET REQUEST		\$1,630,071	
						OPTIONAL BUDGET REQUEST		\$0	
						BUDGET NONAPPROPRIATED		\$0	

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
3 Hardware Maintenance	3	Maintenance/Base	Ongoing					
Provide support, upgrades, enhancements, and preventive maintenance on all NDWC personal computers, printers, servers through effective hardware refresh planning, workload and capacity planning, and tuning. Evaluate hardware for life expectancy and backup purposes. Ensure maximum system availability through proactive resource management and corrective actions.					IT PLAN ESTIMATED COST	\$1,257,784	\$1,525,631	\$1,500,000
					BASE BUDGET REQUEST		\$1,525,631	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
4 Telephone Support	4	Maintenance/Base	Ongoing					
Coordinate the installation and relocation of phones and phone numbers. Support and train on voice mail usage. Coordinate efforts with ITD.					IT PLAN ESTIMATED COST	\$424,953	\$476,044	\$499,846
					BASE BUDGET REQUEST		\$476,044	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
5 Auto Adjudication	5	Enhancement/Upgrade	07/2000	12/2000				
Develop an automated method to process less complex claims for specified injuries below a pre-determined monetary value.					IT PLAN ESTIMATED COST	\$150,000	\$0	\$0
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Claims processing and medical payment will be significantly improved and expedited when the manual intervention is eliminated from those claims for injuries such as cut fingers, minor burns, abrasions, and any other injuries typically resolved with one clinic visit and/or one prescription. Will allow claims analysts to focus more time on more complex injuries ultimately providing better treatment for injured workers and earlier return-to-work. This is a relatively new concept that is used successfully by other state funds such as Utah, Washington, and Arizona. Based on Utah’s experience, we anticipate to auto adjudicate about 33% of the less complex claims.								
Impact on other activities:								

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>6 Utilization Review</b>	6	Enhancement/Upgrade	03/2000	07/2000			
Provide capabilities for claims analysts to enter utilization review information on a claim.					<b>IT PLAN ESTIMATED COST</b>	\$75,000	\$0
					<b>BASE BUDGET REQUEST</b>	\$0	\$0
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	\$0
					<b>BUDGET NONAPPROPRIATED</b>	\$0	\$0
<b>Justification:</b>							
NDWC utilization review process is currently off-site and costs about \$800,000 per year. This initiative will move the process to on-site staff thereby improving services to injured workers and medical providers and substantially reducing contracted costs. Completion of this activity establishes the application functions within CMS to support this business process.							
<b>Impact on other activities:</b>							
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>7 Legal Build</b>	7	Enhancement/Upgrade	12/2000	06/2001			
Enhance the CMS application to include legal data collection and tracking information regarding all facets of legal activity, litigation/resolution on a claim for NDWC internal and outside counsel and injured workers counsel.					<b>IT PLAN ESTIMATED COST</b>	\$195,200	\$0
					<b>BASE BUDGET REQUEST</b>	\$0	\$0
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	\$0
					<b>BUDGET NONAPPROPRIATED</b>	\$0	\$0
<b>Justification:</b>							
The intent of this activity is to provide better litigation management and oversight of legal costs associated with NDWC's outside counsel and injured workers' counsel. This system will also identify legal costs by type of dispute thereby allowing NDWC to focus on reducing litigious issues. Data provided by the system will be used to improve services to injured workers through timely dispute resolution processes and reporting.							
<b>Impact on other activities:</b>							

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>8 Internet</b>	8	New Initiative	03/2000	12/2000			
Develop an Internet WEB site for NDWC that would include NDWC information, services, fee schedules, and electronic claim filing.					<b>IT PLAN ESTIMATED COST</b>	\$80,000	\$0
					<b>BASE BUDGET REQUEST</b>	\$0	\$0
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	\$0
					<b>BUDGET NONAPPROPRIATED</b>	\$0	\$0
<b>Justification:</b>							
Information such as safety training and education materials, claims processing guidelines, and frequently asked questions will be available over the Internet. The intent of this activity is to improve customer service and communication with emphasis the importance of safety in the workplace.							
Electronic claim filing will provide a convenient way for injured workers and employers to file claims. Timely first report of injury reduces overall claim costs because the claim is better managed and treatment of injured workers is more timely. This will lead to earlier reporting of injuries which has been proven to reduce claim costs. A Kemper National Insurance Company's study states that a delay of 6 or more days in reporting can more than double the claim cost.							
<b>Impact on other activities:</b>							
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>9 Fraud Detection</b>	9	Enhancement/Upgrade	03/2000	06/2000			
Integrate the employer and claimant fraud detection model products to NDWC business applications.					<b>IT PLAN ESTIMATED COST</b>	\$75,000	\$0
					<b>BASE BUDGET REQUEST</b>	\$0	\$0
					<b>OPTIONAL BUDGET REQUEST</b>	\$0	\$0
					<b>BUDGET NONAPPROPRIATED</b>	\$0	\$0
<b>Justification:</b>							
Integration will provide PHS field auditors with account specific information and assist in the audit selection process. NDWC currently has five field auditors that audit a total of 600 accounts per year. The integration of the employer fraud product with the business application will provide a mechanism to screen all employer accounts (about 21,500) on an on-going basis thus providing for a more focused auditing selection process.							
Claims analysts will have potential fraud ratings available that will assist them in the management of a claim thereby providing an earlier fraud detection which may prevent or eliminate the payment of invalid benefits. For example, recently, the manual use of this product detected a case where over \$525,000 was saved by discontinuing benefits to a claimant engaged in fraudulent activities.							
Integration of this product will allow for review of claims on an on-going basis without the manual intervention currently required.							
<b>Impact on other activities:</b>							

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>10 Medical Records</b>	10	Enhancement/Upgrade	01/2000	04/2000			
Provide a method for medical providers to send electronic medical records that include NDWC data requirements identified in the doctor's first report of injury (C3) and PPI, MMI or Recovery (FL502) forms thereby making it easier for medical providers to relay information to NDWC.					<b>IT PLAN ESTIMATED COST</b>	<b>\$85,000</b>	<b>\$0</b>
					<b>BASE BUDGET REQUEST</b>	<b>\$0</b>	<b>\$0</b>
					<b>OPTIONAL BUDGET REQUEST</b>	<b>\$0</b>	<b>\$0</b>
					<b>BUDGET NONAPPROPRIATED</b>	<b>\$0</b>	<b>\$0</b>
<b>Justification:</b>							
Improve services to medical providers by using some of the electronic tools already in place at the physicians facilities to replace NDWC forms. This will improve claim processing, medical bill payment, and injured worker managed care.							
<b>Impact on other activities:</b>							
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>11 EDI</b>	11	Enhancement/Upgrade	06/2000	12/2000			
Provide internal Electronic Data Interchange (EDI) for bill submission to replace the BCBS EDI.					<b>IT PLAN ESTIMATED COST</b>	<b>\$95,000</b>	<b>\$0</b>
					<b>BASE BUDGET REQUEST</b>	<b>\$0</b>	<b>\$0</b>
					<b>OPTIONAL BUDGET REQUEST</b>	<b>\$0</b>	<b>\$0</b>
					<b>BUDGET NONAPPROPRIATED</b>	<b>\$0</b>	<b>\$0</b>
<b>Justification:</b>							
Electronic bill submission reduces time to pay bills because no data entry, mail, or other paper process time is required. EDI will improve services to medical providers by providing a streamlined method for bill entry and submission. NDWC must provide an alternative to the BC/BS EDI should BC/BS determine that they will no longer provide the EDI service.							
<b>Impact on other activities:</b>							

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12 Network Change	12	Enhancement/Upgrade	08/2000	10/2000				
Replace the existing token ring network with ethernet network. Replace network cards in all PCs and other network components as required.					IT PLAN ESTIMATED COST	\$150,000	\$0	\$0
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Ethernet is the state standard. Ethernet provides a faster medium that is less expensive to operate and maintain over the life of the network and equipment.								
Impact on other activities:								

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
13 Indexing Application	13	Enhancement/Upgrade	01/2001	08/2001				
Rewrite the Indexing application.					IT PLAN ESTIMATED COST	\$0	\$147,183	\$0
					BASE BUDGET REQUEST		\$147,183	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
The current Indexing application will be six years old and the technology we use with FileNet and other systems and applications will be much further advanced. If we do not rewrite this application, compatibility with other systems and hardware will be at risk.								
Impact on other activities:								

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
14 Audit Profiler	14	Enhancement/Upgrade	07/2001	12/2001				
Develop a claims audit profiler based on CMS data related to injury and adjudication statistics. Relate the statistical information to the skills, competencies, and tenure in job for claims analysts.					IT PLAN ESTIMATED COST	\$0	\$189,117	\$0
					BASE BUDGET REQUEST		\$189,117	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Improve services to injured workers and policyholders through improved claims management by 'replicating' the internal best practices in addition to identifying pertinent training issues.								
Impact on other activities:								

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
15 On-line Payroll	15	New Initiative	05/2001	12/2001				
Develop an Internet based application for employers' on-line payroll reporting for premium calculation, billing, and certification.					IT PLAN ESTIMATED COST	\$0	\$189,117	\$0
					BASE BUDGET REQUEST		\$189,117	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Provide services to employers (policyholders) that would eliminate manual and paper processes thereby improving service and reducing costs.								
Impact on other activities:								

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
16 On-line Injury Info	16	New Initiative	07/2001	12/2001				
Provide injury and loss information over the Internet through a secured site for employers' safety programs.					IT PLAN ESTIMATED COST	\$0	\$147,183	\$0
					BASE BUDGET REQUEST		\$147,183	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Injury and demographic information is vital to employers in preventing workplace injuries. Internet based applications will improve services by allowing downloads of requested information for analysis and reporting by employers.								
Impact on other activities:								



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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>17 PICS Workflow</b>	17	Enhancement/Upgrade	03/2002	12/2002			
Enhance PICS for workflow event management and imaging of documents.					<b>IT PLAN ESTIMATED COST</b>	<b>\$0</b>	<b>\$189,117</b>
					<b>BASE BUDGET REQUEST</b>	<b>\$189,117</b>	<b>\$0</b>
					<b>OPTIONAL BUDGET REQUEST</b>	<b>\$0</b>	
					<b>BUDGET NONAPPROPRIATED</b>	<b>\$0</b>	
<b>Justification:</b>							
The intent of this activity is to improve customer service to policyholders by providing file information on-line so that multiple people can access it simultaneously. Additionally, we will reduce internal processing and paper file storage costs. Premium collections and payroll report processing will be more efficient.							
<b>Impact on other activities:</b>							
Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05
<b>18 Medical Payments</b>	18	Enhancement/Upgrade	07/2003	12/2003			
Rewrite and enhance the medical payment processing subsystem of CMS.					<b>IT PLAN ESTIMATED COST</b>	<b>\$0</b>	<b>\$195,000</b>
					<b>BASE BUDGET REQUEST</b>	<b>\$0</b>	
					<b>OPTIONAL BUDGET REQUEST</b>	<b>\$0</b>	
					<b>BUDGET NONAPPROPRIATED</b>	<b>\$0</b>	
<b>Justification:</b>							
Medical payment subsystem will be over 6 years old and the technology and business rule changes will require major enhancements to the system to keep it operational and up-to-date with technology and business requirements. NDWC expends about \$32 million per year on medical related expenses thus continued refinements and enhancements to this subsystem are extremely critical.							
<b>Impact on other activities:</b>							

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Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
19 WorkManager	19	Enhancement/Upgrade	01/2004	06/2004				
Rewrite and enhance the WorkManager and Imaging applications.					IT PLAN ESTIMATED COST	\$0	\$0	\$100,000
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
These applications will be over 5 years old and will require rewriting to bring them up-to-date with both business and technology. Failing to upgrade these applications will put our business processes, standards, and compatability at risk.								
Impact on other activities:								

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
20 Document OCR	20	New Initiative	06/2004	12/2004				
Develop a legal and document search and retrieval system using technology similar to Optical Character Recognition.					IT PLAN ESTIMATED COST	\$0	\$0	\$125,000
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Improve preparation process for administrative and legal hearings through readily available on-line legal case rulings and law references. Fuzzy word search allows for retrieval of related documents in a more timely and less human resource intense manner.								
Impact on other activities:								

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21 SAN	21	Enhancement/Upgrade	01/2005	06/2005				
Enhance the disk storage subsystem through creation of a Storage Area Network (SAN).					IT PLAN ESTIMATED COST	\$0	\$0	\$150,000
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$0	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Improve cost of ownership ratios by eliminating the 'different' varieties of disk storage space.								
Improve costs associated with technology storage by allowing for shared resource pools of disk storage space.								
Impact on other activities:								

Activity	Priority	Activity Type	Start Date	End Date	99-01	01-03	03-05	
22 HIPAA Requirements	22	Enhancement/Upgrade	07/2001	12/2001				
Enhance security of all applications, network and data transfer methods to meet new Federal HIPAA requirements.					IT PLAN ESTIMATED COST	\$0	\$137,000	\$0
					BASE BUDGET REQUEST		\$0	
					OPTIONAL BUDGET REQUEST		\$137,000	
					BUDGET NONAPPROPRIATED		\$0	
Justification:								
Due to new Federal guidelines, we may be forced to enhance the security concerning all areas of involvement that have to do with personal medical information.								
Impact on other activities:								
This may have an impact on activity number 11 for EDI. HIPAA regulations suggest using XML internet based standards instead of standard EDI. We may be able to tie the two initiatives together.								
The final HIPAA regulations are not set as of yet.								

Total Agency					IT PLAN ESTIMATED COST	\$6,091,468	\$6,360,802	\$6,121,309
					BASE BUDGET REQUEST		\$6,223,802	
					OPTIONAL BUDGET REQUEST		\$137,000	
					BUDGET NONAPPROPRIATED		\$0	